Tells the Facts and Names the Names

CounterPunch

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Say It Ain't So!

"Rising Phone Bills Are Likely Result of Deregulation, Lawmakers Are Angered"

— *New York Times* headline, March 30, 1997

Big Fight in a Little Town

Frank Bardacke has lived in Watsonville for 25 years, worked in the fields for six seasons, and is now writing a history of California farmworkers.

WATSONVILLE — Here, in this savagely wounded farm town on California's Central Coast, as the overwhelmingly Catholic population celebrates their Saviour's magical triumph over nature, dreaming mostly of rebirth and resurrection: rebirth of the United Farm Workers Union; resurrection of this little town. And they do not dream alone. Some 25,000 people, led by labor's new chieftains, John Sweeney, Mike Trumka and Linda Chavez-Thompson, are preparing to come to town April 13 to march through Watsonville, bringing their own yearnings for a reborn US labor movement. With so much hope in the air, it is easy to dismiss Eliot's famous reservations about April. It is a glorious spring.

But after the marchers go home, as spring becomes summer and fall and the nine-month strawberry season plays itself out, can Watsonville really expect a UFW/AFL-CIO victory? Here is a brief description of the conditions at hand and the powers at play.

The new leadership of the AFL-CIO, which came to power promising to rebuild the labor movement, has had a hard time delivering on that pledge. President John Sweeney and his people need a significant triumph both to inspire their followers and to consolidate their own positions. They are betting on Watsonville, and betting fairly heavily, at a rate of about $100,000 a month. That's big money in this town of some 35,000 people. With its fifty paid organizers — almost one organizer for every two hundred workers — the AFL-CIO-financed UFW is the largest new business in town.

But not nearly as big as the industry they are trying to organize. Watsonville strawberries grossed about $300 million last year. The men who run the industry (most of them are local) are very rich, very well organized and blessed with the gift of memory. They have not forgotten the time, more than thirty years ago, when the UFW-led farm worker movement won major contracts in the local vegetable industry and pushed the farm worker entry wage from $1.25 an hour in 1965 to about $7.00 an hour in 1980. Soon thereafter the growers, taking advantage of serious problems inside the UFW, and with the help of a Republican administration in Sacramento, rolled back the wage gains and reasserted their control over their work force. They do not intend to hold the door open now for the UFW to walk back in.

Agribusiness is not a single industry; it is a string of mini-industries and the specific structure of strawberry production makes union organizing exceptionally difficult. Strawberries demand great care. People around Watsonville say strawberrry production is more like horticulture than agriculture and therefore most strawberry farms are relatively small. On these farms the owner or manager directly supervises the work to ensure, as far as possible, high production and good berries. These small farmers — many of them Mexicans — hire their own workers, often employing relatives and *paisanos*, people who come from the same small towns in rural Mexico as their bosses. But although the farmers can exert considerable control over their workers, they have very little power within the industry.

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Power lies in the hands of the people who own the coolers and market the berries. A strawberry is wasted (that is, unmarketable) unless it gets to a cooler soon after it is picked and so the owners and managers of the coolers have become the directors of the whole production process. (Coolers cost between one and two million dollars to build, and there are about a dozen of them in the Pajaro and northern Salinas valleys.) The cooler owners usually lend money to the small growers, often lease them the land and always provide them with essential technical support. They then charge the growers for cooling the berries, shipping them and selling them. So, no surprise, small growers often teeter on the verge of bankruptcy, while the cooler operators keep getting rich.

How this system works against union organizing was well demonstrated two summers ago. On a medium sized ranch, VCNM Farms, after a successful wildcat strike, workers voted 332 to 50 in a state-supervised election for the UFW to represent them. The grower stonewalled the subsequent negotiations and declared bankruptcy. All the workers lost their jobs. The very next year, the land was leased to another small grower who hired a whole new work force. Some of the people who had voted UFW and then lost their jobs were hired by the cooler operators as "labor consultants", then sent to the fields to tell other strawberry workers that a vote for the UFW would put you out of work. It was this message delivered by these fired workers that did the most to frustrate the UFW's attempt to organize strawberry workers last season.

Since the death of Cesar Chavez, the UFW has re-surfaced as a force in the California fields.

Since the death of Cesar Chavez four years ago the UFW has re-surfaced as a force in the California fields. Reduced in the mid-eighties to a farm worker advocacy group at best and a family fund-raising organization at worst, the UFW went back into the fields soon after Arturo Rodriguez, Cesar's son-in-law, took command. The union decided to co-operate with (rather than battle against) other groups trying to organize farm workers; to take a strong posture in defense of undocumented workers in the fight against Proposition 187; to spend money on farm worker organizing campaigns. All this yielded new contracts, most prominently in the mushroom industry, whose center is right here in Watsonville. With important support (both financial and technical) from the AFL-CIO legal department, the UFW was able to force its old nemesis, the Bruce Church Company, to sign a union contract, the first for vegetables in nearly 15 years. With some 4,000 new members under contract and the AFL-CIO treasury footing most of the bills, the UFW, impressed by the militancy of the workers at VCNM, decided to take on the strawberry industry.

The first season of organizing – the summer of '96 – did not go well. Planning to "blitz" the industry, the union underestimated the fear the failure at VCNM produced among the workers. The strawberry workers couldn't be blitzed; their fears and concerns had to be taken seriously; the UFW had to convince them that by focusing on a cooler and by organizing all the growers associated with that cooler, the union could protect workers from VCNM-style, small grower "bankruptcy". Even more important, the workers had to see the union as their own organization, rather than an outside force claiming to act in their name, possibly at their peril. The outcome was adverse. The campaign went so badly that the union declined to file for a single election, fearing that the workers, worried about their jobs, would vote against them.

This next season looks more promising. I meet increasing numbers of workers who speak of the union as if it is their own. The UFW spent the off-season in house meetings, talking to workers about their problems and trying to develop strategies for the coming year. The UFW leadership now talks of a bottom-up, grass roots campaign. The blitz strategy is no longer mentioned. The strawberry struggle is understood as a different kind of battle, a protracted war. In a protracted war, support from the AFL-CIO and strawberry consumers can help a great deal. The UFW once won such a war in its famous victory in the table grapes. That struggle lasted five years, from 1965 to 1970. The strawberries might take just as long.

Watsonville needs a UFW victory. It was once the frozen food capital of the world, with 6,000 people working in six different plants under a fairly decent Teamster contract. Then, starting about ten years ago, frozen vegetable consumption crashed, the big transnational companies gobbled up the frozen food independents and moved the industry to Mexico. Irapuato, Guanajuato, is now the frozen food capital of the world and Watsonville is just a small outpost of the industry, with only one frozen vegetable plant hiring less than 1,000 workers. It lost 5,000 jobs (in a town of 35,000 people!) in less than ten years. The official unemployment rate is now as high as 25% in the off season and remains in double digits even during the season. In many respects it is like a defunct Ohio steel town, after the industry moved away.

But even when Watsonville was at the center of world frozen food production,

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more local people worked in the fields than in the frozen food plants. Those jobs have not moved, but since the defeat of the UFW, wages have declined sharply. The entry wage went from $7.00 an hour in 1980 to $5.00 an hour today. The piece work wages have similarly fallen; piece rate lettuce workers who made up to $20 an hour in the late 1970s are now making $10 to $12 an hour at best. (Many workers who cut and pack the new, popular, bagged variety lettuces make less than $6 an hour.) Experienced strawberry workers, who averaged around $8 an hour in the 1970s were still averaging that same amount, or even less, when the UFW started the strawberry campaign last year.

The loss of farm worker wages, coupled with the loss of frozen food jobs, has devastated the town. What was once a relatively prosperous, rural, working class community has now become an anxious battle ground. Only by living in the most crowded conditions, can people pay their rent with barely enough left over to cover the grocery bill. Alcoholism, domestic abuse and violence have surged. The local school district is in constant turmoil. Youth gangs, once unknown in Watsonville, are flourishing. Three young people were killed in gang violence last year. Two weeks before the big march, an eighteen-year old boy was murdered, probably for being in the wrong gang, and left hanging from a tree in full view of the morning school buses travelling on Freedom Boulevard, the main road into town.

There is no way to bring the frozen food industry back, although a growing organic agriculture sector might some day be big enough to replace it. But a UFW victory would send farm worker wages back up and the whole town would benefit. If farm workers once again can win a living wage, Watsonville once again can become a livable town.

Working in the strawberries is not easy. It is not only that people are bent over all day, or down on their knees, or squatting on their haunches. A lot of farm work is like that, and it makes people old in a hurry. What makes strawberry work especially difficult is that people are paid individually according to how much they pick, rather than by the hour or collectively according to how much the whole crew picks. "*En la fresa uno muere solo*", a friend of mine once told me, "in the strawberries, one dies alone." My friend, a celery cutter, worked alongside his wife in the strawberries every year before the celery season began. In the vegetables, the crew is paid for every box it cuts and packs and then the workers divide the pay equally among themselves. Their work is a joint collective effort. The crews are well organized and stay together for years. These crews, known for their intense internal solidarity, were the heart of UFW strength in the 1970s. In contrast, the strawberry crews are barely crews at all and sometimes there is even competition over who gets the good rows. As a consequence of this relative lack of internal solidarity in the structure of the crews, the UFW, even at its height, could never maintain contracts among strawberry workers. Now the union has made strawberry workers the main focus of its re-entry into the fields.

This structure, coupled with the structure of the industry itself, makes the organizing campaign difficult. But it is not impossible. Strawberry workers have already been helped by the UFW's return to the fields and they know it. Last year, hoping to keep the union out, the growers raised wages for the first time in a decade. More of the large growers began to pay medical benefits. Drinking water was made more available, the old portable toilets were cleaned up or even replaced by new ones and hated foremen became more polite and respectful. Even workers afraid to vote UFW want the union to stick around.

Ultimately, the fate of the UFW campaign is in the hands of some 15,000 strawberry workers in Watsonville's Pajaro Valley and the nearby Salinas Valley. Who wins and who loses depends on the collective will of these folks, some of them long time, well-established local residents and some of them undocumented, recent immigrants forced to sleep at night on the edge of the very fields they work during the day. The outcome of their struggle will not depend on this or that vote in some quasi-free election. Victory will be won if the strawberry workers, despite all the risks and obstacles, can transform the UFW into their own organization so that when the AFL-CIO leaves and most of the outside organizers go home, a strong, local, democratic union remains behind. ■

Dan Burton's Double

By now most people have heard how Rep. Dan Burton, who is leading the GOP House investigation into the Clinton administration's shady fundraising practices, shook down lobbyist Mark Siegel for a campaign contribution a few years back. Siegel represented the government of Benazir Bhutto and Burton, one of Pakistan's chief allies in Congress, wanted the lobbyist to donate money to his campaign war chest. When Siegel balked, Burton complained to Bhutto's government and told Siegel that he and his lobby shop's employees would no longer be welcomed in his office – or anywhere else on Capitol Hill – if he didn't come up with $10,000.

What hasn't been revealed is why Burton, who initially wanted a mere $5,000 from Siegel, was moved to double the ante, a tale that was told to us by a Friend of **CounterPunch** (FOC), a DC lobbyist intimately familiar with the story. According to this FOC, Siegel's contract with Pakistan was for $450,000. By the morals of Washington, the lobbyist should have been wise enough to fork over part of this haul to Burton, who faithfully carries water for Islamabad on the Hill.

Siegel, though, is notoriously stingy and became highly agitated after Burton began pressing him for cash. The lobbyist decided to call the congressman, hoping at least to negotiate a reduction in the tribute demanded. After reaching Burton on the phone in his office, Siegel made a long speech explaining that he was a Democrat and as a matter of principle only gave money to Democratic Party politicians. Therefore, he would not be able to deliver the $5,000.

Burton was unmoved by this plea. His response to Siegel before hanging up was succinct: "That's gonna cost you ten." ■

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"Bring Me Saddam's Head"

The Corpses in Tenet's Closet

Now that affable, unassuming George Tenet has stepped over the corpse of Anthony Lake to take – presuming his confirmation – the helm at the CIA, all discussion of the nation's new spy chief has disappeared from the public prints. In contrast to Lake's role in fomenting the flow of Iranian arms to the Balkans and other misdemeanors, there has been no report of crimes committed by acting Director of Central Intelligence Tenet while on public service. Yet the hearty endorsement of Tenet by his predecessor John Deutch provides a telling clue.

Deutch passed most of his public career in the humdrum yet vital task of easing the flow of public funds to the military industrial complex. Yet he cherished loftier ambitions. When he moved from the Pentagon to the CIA he determined that one day the history books would record his name as the architect of a victory no less fabled than that of Allen Dulles. His goal was the elimination of Saddam Hussein, a coup that would be associated by generations yet unborn with the glorious name of Deutch.

When Deutch communicated this vision to the grizzled veterans of the Operations Directorate, however, there was a dash for the exits. Experienced officers, downy old birds with a sharp eye for bureaucratic cover, rated the chances of success in such an operation as low and the possibilities of embarrassing public failure as high. In droves, they discovered pressing tasks and assignments that regrettably precluded any involvement in an Iraq operation.

But Deutch was not to be gainsaid. Eager for preferment, younger officers presented themselves as ready and willing to carry out the appointed mission. Their champion on the seventh floor of CIA headquarters at Langley was George Tenet, then Deputy Director of Central Intelligence.

Tenet had not risen through the Agency ranks but had emerged from the stews of Capitol Hill, where he initially served as a staffer to the fanatically right wing and famously stupid Senator John Heinz. (Heinz was put out to pasture from control of the family food business after he announced his intention of changing the shape of the ketchup bottle on which the family's fortunes rested. Appalled executives swiftly arranged for the purchase of a congressional seat where he could do less harm.) From there Tenet migrated to the Senate Intelligence Committee before ultimately coming to roost at Langley, imbued with the skills not of an intelligence professional but of a courtier. When Deutch called for the head of Saddam Hussein, Tenet was eager to do what he could to help in promoting schemes generated by the eager young beavers in Operations.

Tenet's covert operators were delighted when their agents blew up the audience in a Baghdad cinema.

Casting around for suitable tools for the task, the clandestine operators settled on an obscure opposition group calling itself the Iraqi National Accord, made up of former army officers and officials of the Baath Party. This faction proclaimed its willingness and ability to adopt a more muscular approach than had been demonstrated by a previously favored American instrument, the Iraqi National Congress. To prove their credentials and good faith in spending the millions of Agency dollars pouring their way the INA embarked on a program of terror bombings in Baghdad. At least a hundred people were killed, the greatest yield coming when the bombers, unable to reach a target assigned them by their paymasters, left a bomb in a popular cinema. As a sideline, the INA blew up the headquarters of the rival Iraqi National Congress in Kurdish-controlled northern Iraq.

These initiatives evidently found favor at Langley. Early last year, their pockets bulging with augmented CIA payments, the INA opened new headquarters in Amman. Plans were bruited for a high profile operation to include a radio station and a newspaper, although inaugural festivities at the grand new four-story headquarters were somewhat marred by the revelation in the London *Independent* of details of the Baghdad bombing campaign. However, Deutch and Tenet saw no reason to withdraw their support. Plans were afoot for the master stroke, a full fledged military coup. The attempt was duly mounted in June and was an immediate and horrible failure. Saddam's security forces had, predictably, infiltrated the ranks of the plotters. Several hundred army officers were rounded up and executed.

In direct consequence of this success, Saddam felt bold enough two months later to respond to appeals from the KDP Kurdish faction which was being hard pressed by Iran-backed rivals. Saddam moved his army into the Kurdish city of Erbil, setting off panic among the CIA's operatives across northern Iraq, who had to be hurriedly evacuated. The final insult came when the CIA officer overseeing the INA operation in Amman got a phone call from Baghdad. The man on the other end of the line, who asked for the American by name, was a high official in Iraqi intelligence. Revealing a detailed knowledge of the operation's personnel and plans, he caustically suggested that the CIA should pack up and go home. Deutch's dream and the efforts of his disciple Tenet had collapsed in ruins.

Meanwhile, US policy toward Iraq remains frozen in suspension. Last week Madeline Albright, the woman who thinks that the death of half a million Iraqi children as a result of sanctions has been "worth the price", announced that sanctions would remain in place and that Cinton administration policy has been a "success". Despite being billed as a major new foreign policy address, Albright's speech had in fact been written as long ago as last October for delivery by Tony Lake, who never got around to giving it. After gathering dust for six months it was handed to Albright, who confined herself to adding her uniquely crass style – "the mother of all coalitions" – before reading it out. ■

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Ha Ha Ha Ha Ha (How to Spell Ethics Reform)

In response to charges of corruption and loose morals swirling about Congress, the House has appointed an Ethics Reform Task Force. For at least three reasons it's hard to be optimistic about this noble body, due to issue its report on April 11. First, it was chartered by Majority Leader Dick Armey and Minority Leader Richard Gephardt, both of whom have displayed grossly lax personal conduct themselves, especially when it comes to campaign fundraising. Second, the Task Force's choice of outside counsel is Richard Leon of the DC law firm of Baker and Hostetler. Leon also represents lobbyist Ann Eppard, who is currently under federal investigation owing to her "complex ties" with Rep. Bud Shuster of Pennsylvania). Eppard previously served as Shuster's aide and is now one of his chief fund-raisers, even as she lobbies the Transportation Committee chaired by her former boss.

The third reason for cynicism about the Task Force is its treatment of Gary Ruskin, director of the Congressional Accountability Project, a Naderite group. Ruskin was invited to testify before the Task Force in March and prepared a 23-page speech. As the big day neared the Task Force got edgy and proposed that Ruskin address it in private. Ruskin insisted that he would appear only at a public hearing and the House relented but limited him to a five-minute presentation. Furthermore, Ruskin was barred from discussing any specific cases of wrongdoing by members of Congress. We are therefore pleased to publish here the main points Ruskin would have made if the Ethics Task Force had afforded him the opportunity.

According to Ruskin, the House Ethics Committee has "become a device to shield members from meaningful scrutiny" by the public. The Committee itself rarely initiates an investigation and watchdog groups like Ruskin's cannot independently request that the Committee take action. Instead, they must get one member of Congress to send a "letter of transmittal" to the Ethics Committee asking for an investigation. Alternatively they must get three "letters of refusal". The latter does not directly call for an inquiry but states that the sender acknowledges that his or her refusal might "cause the committee to initiate" an investigation in any case.

Since neither major party likes to see Congressional corruption exposed, it's virtually impossible to obtain a letter of transmittal and difficult to obtain even a letter of refusal. Twenty-five Republicans declined Ruskin's request for a letter of transmittal against Michigan Democrat Barbara-Rose Collins, even though Ruskin submitted reports detailing how Collins used her staff for personal activities and accepted money from a scholarship fund for disadvantaged students. The Ethics Committee finally took action – the only Committee-initiated investigation during the entire 104th Congress – following a wave of media coverage about Collins's abuse of her office. "Rep. Collins is a black female Democrat, and was one of the least influential members of the 104th Congress," Ruskin wrote in a portion of his censored testimony. "Perhaps that is why the Ethics Committee was able to muster the gumption to begin an investigation." Collins was defeated for re-election last year, before the Ethics Committee had concluded its work.

The committee did not investigate Gingrich's relationship with Donald Jones, an entrepreneur and GOP donor who worked directly out of the Speaker's office.

Obstacles abound. It took Ruskin seven months to obtain three letters of refusal needed to begin an investigation into well-publicized reports of influence peddling by House Whip Tom DeLay, who has helped forward the business interests of his brother, a lobbyist. Ruskin needed an identical amount of time to obtain three letters of refusal in regard to the equally high profile Shuster case.

Forcing the Ethics Committee into action is no guarantee that it will do its job. The committee formally opened an investigation into DeLay's activities last September. During the past six months, it has not interviewed a single witness or even held a formal hearing to discuss the case. The investigation into Shuster, which commenced at roughly the same time, has been equally inert. To date, the Committee has done nothing other than to confirm that the signatures on the letters of refusal were authentic. The daily newspaper *Roll Call* says that Republicans on the Ethics Committee "appear to be searching for any potential loophole that would allow them to reject the complaint".

The best known case of obstruction involves House Speaker Newt Gingrich. The Committee refused to investigate many charges against Gingrich, eventually agreeing to examine only one part of one of the many allegations – that the Speaker misused foundation money for political purposes. It took the committee 14 months to appoint an independent counsel to look into those charges.

The committee did not see fit to investigate Gingrich's fervent relationship with Donald Jones, a telecommunications entrepreneur and GOP donor who for a period worked directly out of the Speaker's office. The lawyer for Jones's former business partners, Tim Brown and Jeff Coleman, contacted Ethics Committee Chairwoman Nancy Johnson to say her clients would be "prepared to provide information concerning the business activities of Mr. Jones during the period that he was operating out of the office of Speaker Gingrich. In effect, they are prepared to provide specific substantiation for claims [made in one of the ethics complaints]." Chairwoman Johnson declined to pursue this promising lead. "As far as I know Nancy Johnson isn't even alive," Coleman told the *Hartford Advocate* at the time. "No one from the committee ... has ever contacted either Mr. Brown or myself."

Several other complaints against Gingrich were rejected out of hand. House Minority Whip David Bonior submitted 8,000 pages of evidence to back up a

(continued on p. 8)

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The Pulp Parachute:

When Louisiana-Pacific Got Paid To Destroy the Tongass

One of the most lucrative and environmentally destructive deals in the history of the forest products industry was just closed out with an enormous golden parachute unfurled for a $2 billion a year timber company courtesy of the federal treasury. On February 21, the Clinton administration capitulated to the legal threats of the Louisiana-Pacific Corporation by agreeing to pay $250 million to settle a lawsuit over the federal government's cancellation last year of the company's long-term contract to log timber in the Tongass National Forest in southeast Alaska.

The buy-out may have been linked to the confirmation of Frederico Pena, Clinton's choice as Secretary of Energy. The nomination had been held up by Alaskan Senator Frank Murkowski, chairman of the Senate Committee on Energy and the Environment. The word in the Senate is that Murkowski, who has been a virulent critic of the administration's environmental policies, threatened to block Pena's confirmation unless Clinton agreed to settle the Louisiana-Pacific lawsuit and guarantee higher levels of logging on the Tongass over the next five years. Pena's nomination was approved by Murkowski's committee the same week the Clinton administration announced the Louisiana-Pacific deal.

More than $140 million of the settlement will go directly to Louisiana-Pacific. The remaining $110 million is scheduled to go to communities in southeast Alaska for the retraining of nearly 400 workers laid off from the company's closed Ketchikan pulp mill, although this portion of the deal must await Congressional approval. In addition, the Forest Service agreed to provide Louisiana-Pacific with a steady flow of old-growth timber from the Tongass for the next three years. A large portion of that timber will come from ecologically significant stands of old-growth forest on Prince of Wales Island near Ketchikan, which the Forest Service's own biologists have said should not be logged because of the impact on salmon and on the rare marbled murrelet, a forest-nesting seabird.

The pay-off caps a 40-year run for Louisiana-Pacific in south-east Alaska, where the company was granted exclusive rights to log off more than one million acres of temperate rainforest on the fog-enwrapped islands of the Tongass, America's largest national forest. The Ketchikan mill, owned for the past 25 years by Louisiana-Pacific, was the beneficiary of an extraordinary deal hatched by the Forest Service back in the late 1950s. As an inducement to create year-round jobs in the remote region, the Forest Service offered exclusive contracts to log old-growth timber off of the Tongass rainforest at minimal costs to any companies that would build pulp mills there and operate them year-round.

After a federal investigation, Louisiana-Pacific was convicted on felony charges of falsifying pollution reporting data.

By 1954 two pulp mills had been built in the region, one in Ketchikan by the Ketchikan Pulp Company, formerly owned by the gold mining giant FMC, and one in Sitka, controlled by a consortium of Japanese companies, including Mitsubishi and Sumitomo, operating as the Alaska Pulp Company. The Ketchikan mill produced a bizarre assortment of pulp products, including rayon, fibre for disposable diapers, nitrocellophane explosives, food fillers and sponges.

The Sitka mill mainly produced pulp for newsprint. After pulp prices dropped sharply in 1993, the Alaska Pulp Company closed its Sitka mill and the Forest Service terminated the company's contract. The Japanese-owned company then filed suit in federal claims court seeking nearly a billion dollars in damages.

The Alaska Pulp Company suit remains unresolved. According to our informants inside the Portland, Oregon-based company, Louisiana-Pacific had been attempting to unload the Ketchikan pulp mill for at least the last two years. When Louisiana-Pacific could find no buyers, the company shut the mill down, blaming the closure on the Forest Service for failing to provide enough timber at cheap enough rates to keep the mill running. The company also repeatedly lashed out at environmentalists, charging that efforts to protect old-growth forest stands and wildlife on the 16-million acre Tongass forest had created "a climate of uncertainty" over future timber cut levels.

Most timber industry economists say that the real problem for Louisiana-Pacific had to do with the changing nature of the pulp market. Pulp prices, always erratic, have fallen to new lows over the past three years and, despite a few temporary spikes upward, have stayed depressed. Increased recycling, cheaper mills built in Mexico and China and staggering environmental liabilities are only some of the factors undercutting the economic footing of aging pulps mills in the United States.

This situation was compounded for Louisiana-Pacific by the fact that the Ketchikan mill's equipment is outdated, inefficient to operate and hazardous to workers and the environment. For nearly 40 years, the mill has flushed five million gallons of dioxin-laced wastewater into Ward Cove every day. Ward Cove, an inlet north of Ketchikan, was once a vibrant estuary filled with salmon, steelhead, humpback whales and orca. Now it is a toxic dead zone. The company has not had a valid air permit for the mill since 1990. In the last five years, the Ketchikan mill has been hit with more than $6 million in fines for violations of clean air and water laws. In 1994 FBI agents

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raided the company's offices and seized thousands of pages of documents. As a result of this investigation, Louisiana-Pacific was convicted on felony charges of falsifying pollution reporting data.

Louisiana-Pacific's decision to close the pulp mill permanently forced the Forest Service to terminate the long-term contract, since the timber purchasing agreement was predicated on the year-round operation of the mill. When the Forest Service voided the contract, Louisiana-Pacific rushed to the federal claims court in Anchorage, where it filed suit against the government. In court papers, the company alleged that the termination of the contract resulted in a governmental "taking" of the economic value of the pulp mill. The suit sought $400 million in damages.

"This settlement is a tremendous victory for the cause of property rights," Ron Arnold, director of the Center for the Defense of Free Enterprise, a Bellevue, Washington-based Wise Use group tells us. "The Clinton administration has validated our contention that the environmental regulations imposed on Louisiana-Pacific clearly damaged the company economically. The lesson is that the government can impose the regulations on companies, but they cannot escape paying just compensation for doing so, plus damages for bad faith dealing."

However, most legal observers believe that Louisiana-Pacific's suit had little merit. Indeed, the suit seems to have been an elaborate set-up and the suit itself was just a pretext for a financial bail-out of a troubled company. The objective of Louisiana-Pacific for several years has been to shift toward the logging of lucrative old-growth trees without being burdened by the costly pulp mill operations.

Ironically, Alaska – where the logging scheme on the Tongass has been underwritten by Congress mainly as a rural jobs program – was exempted from the nation-wide ban on the exportation of raw logs cut from federal lands. For the past ten years, Louisiana-Pacific's biggest money-making enterprise in Alaska has come from exporting yellow cedar to Japan.

"The Ketchikan Pulp Mill fifty-year contract thus ends up as the most expensive timber sale in Forest Service history," says forest economist Randal O'Toole. "Not only did the Treasury gross only about $5 million for well over 6 billion board feet of timber that cost the Treasury well over $100 to put up for sale, but the Treasury ends up paying the company $140 million at the end of the contract. The net loss from this one sale was close to a quarter billion dollars."

Assigned the extraordinarily demanding task of running the public relations campaign over the past few years for the embattled company is Thomas Hoog, general manager of the notorious Hill & Knowlton. Like many of the partners at this outfit, Hoog's political ties are to the Democratic Party. He served as chief of staff for former Colorado Senator Gary Hart. Another Democratic powerbroker at Hill and Knowlton is the firm's CEO Howard Paster, a golfing partner of President Clinton, who served for a year as director of legislative affairs in the Clinton White House. Hoog, who attended two of those White House coffee sessions, played a key role in persuading the administration to settle the Lousiana-Pacific case in Alaska.

Senator Murkowski owned more than $25,000 in Louisiana-Pacific stock and was a major shareholder in one of the pulp mill's largest creditors.

Running interference for Louisiana-Pacific on Capitol Hill is William Phillips, a partner at Hopkins and Sutter, the large DC lobbying operation which represents a passel of companies with squalid environmental reputations, including Brown and Williamson Tobacco Company, Inland Steel, Mobil, the National Agricultural Chemical Association and US Sugar Corp. Phillips was a former aide to Alaskan Senator Ted Stephens from 1980 to 1986 and helped the senator fend off legislative attempts by environmentalists to scale back logging on the Tongass.

For nearly two decades, Murkowski has defended Louisiana-Pacific's rampages on the Tongass. In the 104th Congress, Murkowski wrote laws overturning environmental regulations on the Tongass in order to accelerate logging in areas under contract to Louisiana-Pacific. One of Murkowski's bills, signed by Clinton, overturned a court injunction against logging on the ancient forests of Baronof Island, home of the Queen Charlotte's goshawk and the rare Alexander Archipelago wolf. In the spring of 1995, the North Alaskan Environmental Center disclosed that Senator Murkowski owned more than $25,000 worth of stock in Louisiana-Pacific and that he was a major shareholder in the Ketchikan State Bank, one of the pulp mill's largest creditors.

It now seems that Murkowski used his clout as head of the committee responsible for reviewing Frederico Pena's nomination as Secretary of Energy to extract concessions on the Tongass. "Murkowski threw his weight around and the administration quickly caved in," a Republican senate staffer tells us. "Everyone thought the fight on Pena's nomination was over the Yucca Mountain nuclear waste site. In reality, all the discussions had to do with logging levels on the Tongass and whether or not LP was going to be compensated for closing down the pulp mill." ■

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Ron Brown Lives!

The evil that men do, as Shakespeare wrote, lives after them. Further proof of the accuracy of this observation comes in the form of the Ron Brown Award for Corporate Leadership. The award was created by President Clinton last May, not long after Brown died during a business junket to the Balkans. The White House and The Conference Board, a big business group, held a joint press conference on April 3, when the award was formally announced and nominees solicited.

Brown worked as a lobbyist and slum lord, and was not widely known for his sympathies with the working class.

The winner of the prize is to be a model corporate citizen, particularly in treatment of employees and in forging a "partnership" with the workers. These are piquant criteria. In addition to converting the Commerce Department into an annex of the Democratic Party fund-raising apparatus Brown also worked as a lobbyist and slum lord, and was not widely known for his sympathies with the working class. Equally bizarre is the choice of corporate executives who sit on the award committee. That list, provided to us by Hank Hoffman of the *New Haven Advocate*, includes Edgar Woolard of Dupont, a chemical company with a long and checkered career as a toxic polluter, and Lawrence Bossidy of Allied Signal. When leading the corporate charge for NAFTA, Bossidy swore a mighty oath that his firm would not shift production to Mexico if the trade agreement was approved by Congress. Since then, Allied Signal has cut an estimated 1,000 jobs at US factories in order to move south.

The timing of the April 3 press conference is somewhat embarrassing since Brown so perfectly symbolizes the cronyism and influence peddling that led to the Donorgate scandal. Even more embarrassing, a Friend of **CounterPunch** tells us, is that the front-runner to win the award is Lockheed Martin, the worker-friendly firm that is also the world's leading Merchant of Death. ■

(Ethics, continued from p. 5)

complaint he and others filed against the House Speaker in late 1995. The Ethics Committee returned the material unread. Ruskin made a number of suggestions to the Task Force, among these being that ethics complaints should be routinely sent to an outside counsel for investigation and that private citizens should be permitted to directly file complaints instead of requiring that they obtain sponsorship from members of Congress. We doubt the Task Force will be receptive to Ruskin's ideas. Already, Rep. Porter Goss – who sits on the Ethics Committee and was one of Gingrich's top defenders – has proposed eliminating "letters of refusal" as a means to initiate an ethics complaint, which would drastically reduce the number of inquiries against members. The Ethics Committee itself recently invented a procedure designed to accomplish that same goal. It has decided that any unresolved complaints pending at the end of a Congressional session automatically expire, meaning that the arduous ordeal of initiating a complaint would need to be undertaken anew. ■

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